



DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Docket No. AMS-CN-15-0061]

Cotton Research and Promotion Program: Determination of Whether To Conduct a Referendum Regarding the 1990 Amendments to the Cotton Research and Promotion Act

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice.

SUMMARY: This notice announces the U.S. Department of Agriculture's (USDA) determination not to conduct a continuance referendum regarding the 1991 amendments to the Cotton Research and Promotion Order (Order) provided for in the Cotton Research and Promotion Act (Act) amendments of 1990. This determination is based on the results of a sign-up period conducted August 3 through August 14, 2015, during which eligible cotton producers and importers were provided an opportunity to request a continuance referendum.

FOR FURTHER INFORMATION CONTACT: Shethir M. Riva, Chief, Research and Promotion Staff, Cotton and Tobacco Program, Agricultural Marketing Service, USDA, 100 Riverside Parkway, Suite 101, Fredericksburg, Virginia, 22406, telephone (540) 361-2726, facsimile (540) 361-1199, or email at Shethir.Riva@ams.usda.gov.

SUPPLEMENTARY INFORMATION: During the period of August 3 through August 14, 2015, pursuant to Section 8(c)(1) of the Act, USDA provided an opportunity for eligible cotton producers and importers to request a continuance referendum regarding the 1991 amendments to the Order provided for in the Act. Sign-up period results showed that USDA received 46 valid requests from eligible producers and importers. The following table depicts the number of requests for a continuance referendum.

| Farm Service Agency State Office | Total Sign-Up Requests |
|---|-----------------------------------|
| Alabama | 0 |
| Arizona | 0 |
| Arkansas | 16 |
| California | 0 |
| Florida | 1 |
| Georgia | 0 |
| Illinois | 0 |
| Kansas | 3 |
| Kentucky | 0 |
| Louisiana | 0 |
| Mississippi | 1 |
| Missouri | 1 |
| Nevada | 0 |
| New Mexico | 0 |
| North Carolina | 8 |
| Oklahoma | 7 |
| South Carolina | 0 |
| Tennessee | 0 |
| Texas | 9 |
| Virginia | 0 |
| | |

| | |
|-------|----|
| Total | 46 |
|-------|----|

Section 8(c)(2) of the Act, provides that following a sign-up period, USDA shall conduct a referendum upon the request of 10 percent or more of the number of cotton producers and importers voting in the most recent referendum (1991). This would require 10 percent or 4,622 ($46,220 \times .10 = 4,622$) of the 46,220 valid ballots cast by cotton producers and importers in the July 1991 referendum. It is further provided that, in counting such request not more than 20 percent or 924 may be from producers from any one state or importers of cotton.

USDA finds that the results of the sign-up period did not meet the criteria requiring a continuance referendum by the Act. USDA bases this determination on the fact that the 46 requests received during the sign-up period is less than the 4,622 required.

The 1991 amendments to the Order (7 CFR 1205 *et seq.*) were implemented following the July 1991 referendum. The 1990 amendments were provided for in the Act (7 U.S.C. 2101-2118). These amendments provided for: (1) importer representation on the Cotton Board by an appropriate number of persons, to be determined by USDA, who import cotton or cotton products into the U.S. and whom USDA selects from nominations submitted by importer organization certified by USDA; (2) assessments levied on imported cotton and cotton products at a rate determined in the same manner as for U.S. cotton; (3) increasing the amount USDA can be reimbursed for the conduct of a referendum from \$200,000 to \$300,000; (4) reimbursing government agencies that assist in administering the collection of assessments on imported cotton and cotton products; and (5) terminating the right of producers to demand a refund of assessments.

On July 9, 1991, (56 FR 31289) AMS issued a proposal to amend the Order to determine if a majority, 50 percent or more, of producers and importers favored implementation of the proposed amendments to the Order. USDA conducted a referendum (July 1991) among persons who had been cotton producers or cotton importers during a representative period. Results of the July 1991 referendum showed that of the 46,220 valid ballots received; 27,879 or 60 percent of the persons voting favored the amendments to the Order and 18,341 or 40 percent opposed the amendments.

Following the July 1991 referendum, AMS implemented the amendments. In addition to the previously discussed amendments to the Act and Order, USDA is required by Section 8(c)(1) to: (1) conduct a review once every 5 years after the anniversary date of the referendum implementing the 1990 Act amendments to determine whether a referendum is necessary and (2) make public the results of such a review within 60 days after each fifth anniversary date of the 1991 implementing referendum. Should the review indicate that a referendum is needed USDA is directed to conduct the referendum within 12 months after a public announcement of review results. Should the review indicate that a referendum is not warranted, Section 8(c)(2) includes provisions for producers and importers to request a continuance referendum through a sign-up period.

In 2011–2012, the Department prepared a 5-year report that described the impact of the Cotton Research and Promotion Program on the cotton industry. The review report is available upon written request to the Chief of the Cotton Research and Promotion Staff at the address provided above. Comments were solicited from all interested parties, including persons who pay the assessments as well as from organizations representing cotton producers and importers (76 FR 31573). Five comments, including comments from four certified producer organizations that

nominate producers to the Cotton Board, claimed strong support for the continuance of the program, noting that the administration of the Act has been proper, carries out the intent and purpose in a timely and superior manner, and requires no changes or adjustment.

USDA reviewed the Cotton Research and Promotion Program major program activities and accomplishments, including third-party evaluations of advertising and marketing activities and other functional areas; the results of producer and importer awareness and satisfaction surveys; and data from the Foreign Agricultural Service. USDA also reviewed the results of the Cotton Board's 2011 independent program evaluation, which assessed the effectiveness of the Cotton Research and Promotion Program; the strength of cotton's competitive position; the ability to maintain and expand domestic and foreign markets; increases in the number of uses for cotton; and estimates of a return on investment for stakeholders and qualitative benefits and returns associated with the Cotton Research and Promotion Program. The review report concluded that the 1990 amendments to the Act were successfully implemented and are operating as intended. The report also noted that there is a general consensus within the cotton industry that the Cotton Research and Promotion Program and the 1990 amendments to the Act are operating as intended. Written comments, economic data, and results from independent evaluations support this conclusion.

USDA found no compelling reason to conduct a referendum regarding the 1990 Act amendments to the Cotton Research and Promotion Order although some program participants support a referendum. In 2013, USDA announced its view not to conduct a referendum regarding the 1991 amendments to the Order (78 FR 32228). Therefore, USDA allowed all eligible persons to request the conduct of a continuance referendum on the 1990 amendments through a sign-up period. The results of this sign-up period did not meet the criteria as

established by the Act for a continuance referendum and, therefore, referenda were not conducted.

With this announcement of the results of the sign-up period, USDA has completed all requirements set forth in Section 8(c) (1) and (2) of the Act regarding the review of the Cotton Research and Promotion Program to determine if a continuance referendum is warranted. A referendum will not be conducted, and no further actions are planned in connection with this review.

Authority: 7 U.S.C. 2101-2118.

Dated: December 7, 2015

Rex A. Barnes
Associate Administrator

BILLING CODE 3410-02 P

[FR Doc. 2015-31133 Filed: 12/9/2015 8:45 am; Publication Date: 12/10/2015]